



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
OCTOBER 30, 2006**

**CONTACT: U.S. ATTORNEY'S OFFICE
LAUREN McDONOUGH, YUSILL
SCRIBNER
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**PICKENS PLEADS GUILTY IN U.S. COURT TO PUMP-AND-DUMP STOCK
SCHEME INVOLVING "MISDIRECTED" FAXES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that MICHAEL O. PICKENS, 52, a Texas stock promoter, pleaded guilty today in Manhattan federal court to three felony counts of securities fraud, involving a scheme to manipulate stock prices by distributing hoax faxes that were purportedly "misdirected" from their intended recipient. These faxes purported to contain stock tips sent from a stock broker to his client. According to the Indictment, PICKENS distributed the "misdirected" faxes in an effort to artificially increase the stock prices and market volumes of three stocks: Data Evolution, Infinium Labs, and Soleil Film.

PICKENS pleaded guilty before United States District Judge LORETTA A. PRESKA. He admitted that in December 2004, he caused the distribution throughout the United States of "misdirected" hoax faxes, addressed to "Dr. Mitchel" from "Chris," a "financial planner," which were made to appear as if they had been accidentally sent to the recipients' fax numbers. PICKENS stated, "The faxes were made to appear as a misdirected tip from a stock broker to a customer. In fact, as I knew, there was no broker, no customer, and no tip to be shared."

According to the Indictment to which PICKENS pleaded guilty, PICKENS caused hundreds of thousands of "Dr. Mitchel" faxes to be distributed between December 17, 2004 and December 22, 2004. According to a criminal complaint filed in the case, a "Dr. Mitchel" fax distributed by PICKENS on December 22, 2004 stated:

I have a stock for you that will tripple [sic] in price just like the last stock I gave you 'SIRI' did. can't get you on either phone. Either call me, or call Linda to place the new trade.

The message continued, "We need to buy IFLB now."

According to the Indictment, distribution of the fraudulent "Dr. Mitchel" faxes promptly caused the trading volume and market prices for stock of Data Evolution, Infinium Labs, and Soleil Film to increase. For example, on December 17, 2004, shares of stock in Infinium closed up almost 96 percent over the previous day's close. Infinium stock hit a high of \$0.64 on December 20, 2004, up more than 160 percent from the December 16 close. Trading volume in Infinium stock on December 17 and 20 was approximately six times the December 16 volume.

According to the Indictment, PICKENS profited from the scheme by selling stock in Data Evolution and Soleil Film at the artificially high market prices caused by the fraudulent "Dr. Mitchel" faxes. From December 17, 2004 through February 11, 2005, PICKENS's affiliated companies received approximately \$386,000 by selling stock in Soleil Film and Data Evolution.

Sentencing is scheduled for January 30, 2007, before United States District Judge LORETTA A. PRESKA in federal court in Manhattan. PICKENS faces a maximum sentence of 20 years in prison and a \$1,000,000 fine on each of the three securities fraud counts.

Mr. GARCIA praised the work of the Securities and Exchange Commission and the investigative efforts of the Federal Bureau of Investigation. Mr. GARCIA said the investigation is continuing.

Assistant United States Attorney STEVEN D. FELDMAN is in charge of the prosecution.

06-166

###